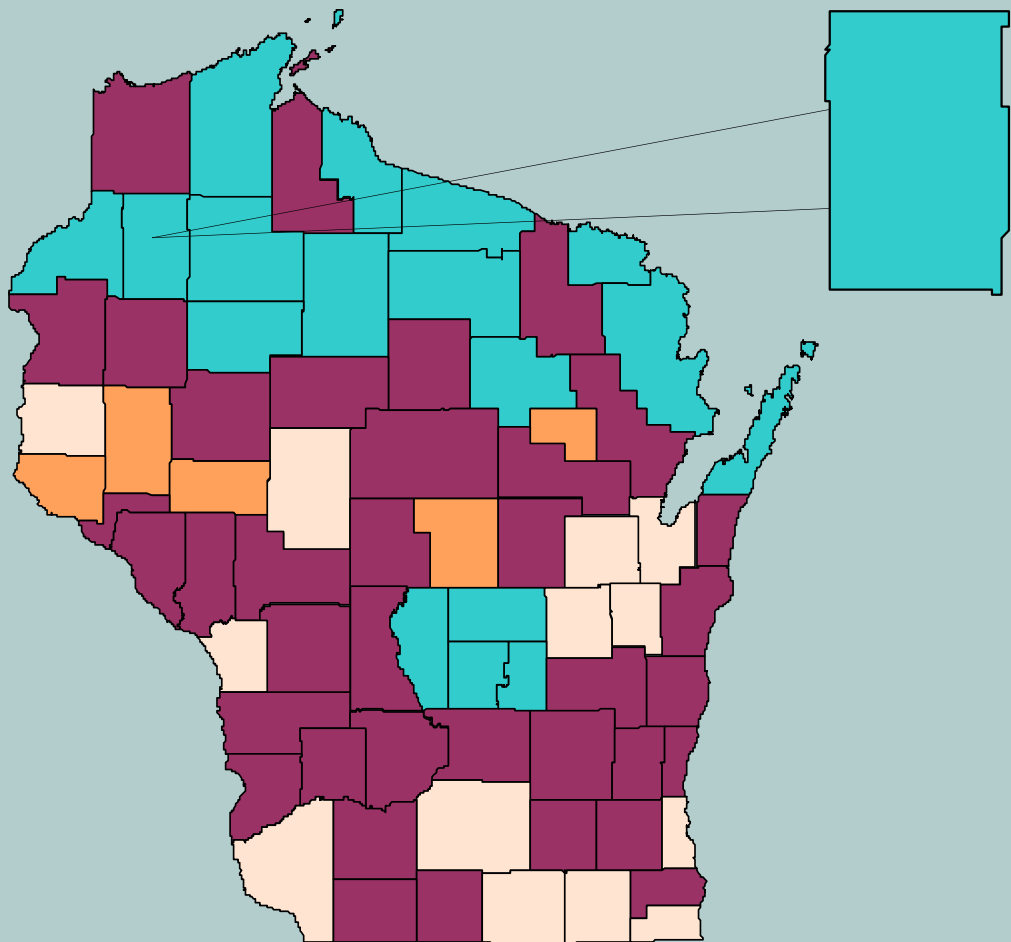


Washburn County Workforce Profile

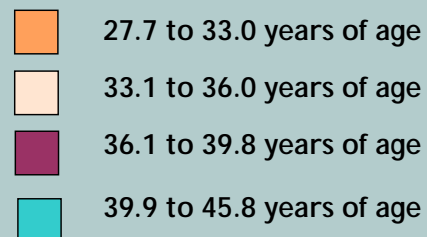
Median Age by County, 2000



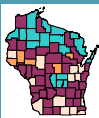
Your complete
guide to the
state of the
labor force of
today and a
glimpse into
the economy of
tomorrow.



State of Wisconsin
Department of Workforce Development
October 2002



Source: Census 2000 of the United States



County Population

From 1990 to 2000 the population in Washburn County increased from 13,772 to 16,036 according to Census 2000 information. That increase of 2,264 residents was nearly four times greater than the increase during the last decade. That momentum continued through 2000 and by the end of the year the population increased by another 163 residents. At that pace, the increase in county population exceeded both national and state growth.

The increase in population during the 1990s was largely the result of a surge in new residents relocating to the area. A net gain in population from migration means that more people moved to the county than moved out of the county. During the ten years from 1990 to 2000 the population increased from a net gain of 2,558 residents from migration. In contrast, the increase from 1,546 births was outnumbered by the number of deaths (1,840).

Of the population 5 years and older in 2000, 21 percent (3,114) had lived in a different county in 1995. Of those new residents 47 percent moved from another state and 53 percent from somewhere else in Wisconsin.

The census also reveals that nearly all of the increase in county population occurred with the addition of 2,077 in the white population. In 2000, over

97 percent of the population in Washburn County was white. American Indians comprised the second largest ethnic group in the county, but they were only one percent of the total population in the county in 2000. During the last decade the American Indian population increased from 145 to 162.

The largest municipality, the City of Spooner, added 189 residents during the 1990s; but the Town of Bass Lake, one of the county's smaller municipalities, added more with an increase of 198 residents. Bass Lake is the twelfth largest municipality with 535 residents, and with a median age of 36.1, it is one of the younger municipalities in the county.

Many of the residents that moved to the county during the 1990s were older but not so old that they were ready to retire. The greatest increase in the population occurred in the 50-59 year old age group, followed by the second largest increase in the 40-49 year old age group. Some of the increase was from an aging population, but not all of it.

Both the increase in population from older people moving to the county and an existing population that was already older than the state average, impacted the median age in Washburn County. The median age increased from 38.0 years in 1990 to 42.1 years

(Continued on page 2)

Total Population

	2000 Census	January 1, 2001 Estimate	Percent change
United States	281,421,906	283,474,000	0.7%
Wisconsin	5,363,675	5,400,449	0.7%
Washburn County	16,036	16,209	1.1%

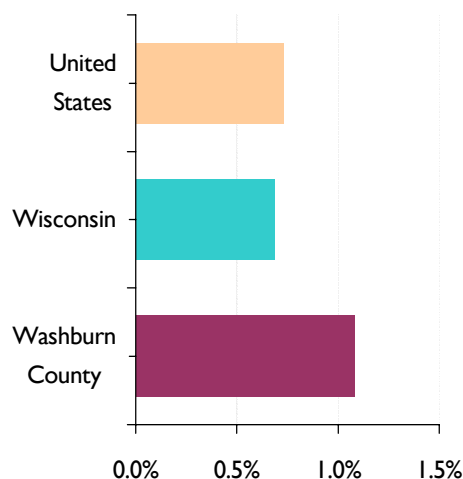
Ten Largest Municipalities

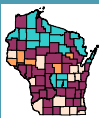
Spooner, City	2,653	2,663	0.4%
Shell Lake, City	1,309	1,319	0.8%
Evergreen, Town	1,076	1,083	0.7%
Bashaw, Town	921	933	1.3%
Trego, Town	885	892	0.8%
Minong, Town	858	874	1.9%
Long Lake, Town	737	745	1.1%
Spooner, Town	677	682	0.7%
Beaver Brook, Town	643	660	2.6%
Stone Lake, Town	544	554	1.8%

* Washburn portion only

Source: Wisconsin Department of Administration, Demographic Services, 2002

Population Growth 2000-2001



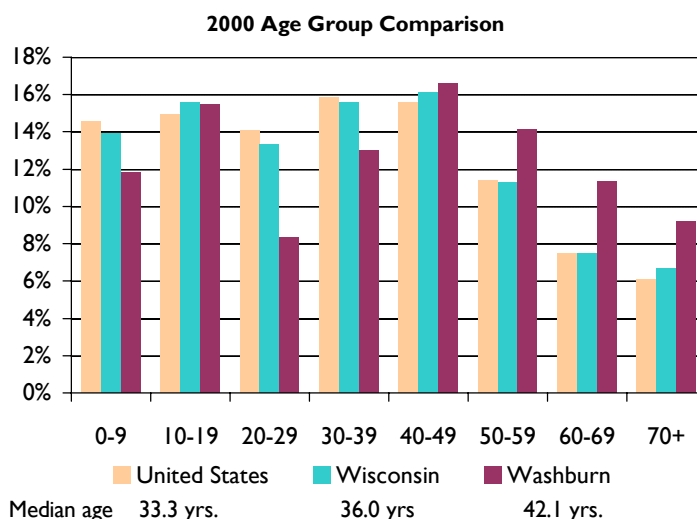


in 2000. The median age in Washburn County is substantially higher than the state median age of 36.0 years and the national median of 33.3 years.

The higher median age means that there are more residents in the older population groups than in the younger age groups, something apparent in the graph on the right. The county has a smaller share of population in the youngest age group than both the state and nation. The 10 to 19 year old group is nearly as large as in the state reflecting the higher birth rate during the 1980s. However, once they graduate from high school these teenagers leave the area to continue their education or search for work. This loss is evident in the dramatic drop in the 20-29 year old group.

Beginning at age 40 the county share of population in each age group is greater than in both the state and nation. This reflects the increase from new residents moving to the area and the aging of the last of the baby boom population. Over the age of 60 the county has a much larger share of population than either the state or nation.

The consequences of this disparity on the current and future labor force cannot be overstated. While the labor force has already shown signs of diminished growth, the full impact of fewer younger people available for the labor supply and an increasing



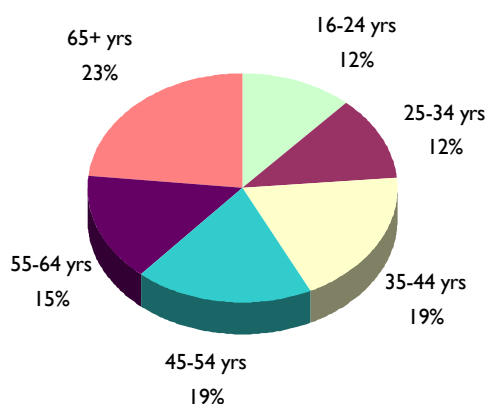
Source: US Department of Commerce, Census Bureau, *Census 2000*

older population, preparing to retire, will exacerbate the labor shortage. Compounding the problem of fewer workers is an aging population requiring more services that historically have been supplied by a young workforce.

The US Bureau of Labor Statistics (BLS) includes only the population 16 years and older as a potential source of labor. The BLS also excludes the population residing in institutions, such as nursing homes and prisons, and military personnel as a source of labor.

County Civilian Labor Force

Washburn County Labor Force Age Groups



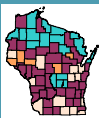
Source: US Dept. of Commerce, Census Bureau, *Census 2000*

The Washburn County population in 2000 16 years and older totaled 13,109. This population comprises the potential labor force in the county even though 23 percent is 65 years and older. The population over 65 years old shares some common characteristics. To begin with, most of them are retired, even though a recent trend has retirees returning to the workforce to pursue new interests.

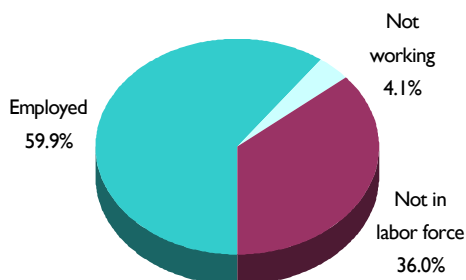
Other age groups also share characteristics. The 16-24 year olds are generally in school, work part-time and during summer breaks, and are starting their first jobs. This group is largely responsible for the increase in labor force during the summer months.

The next group, 25-34 year olds, are the workforce of the future, developing and honing skills, and

(Continued on page 3)

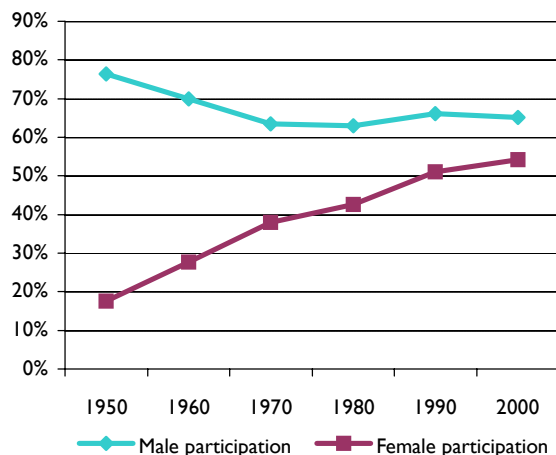


2001 Labor Force Participation



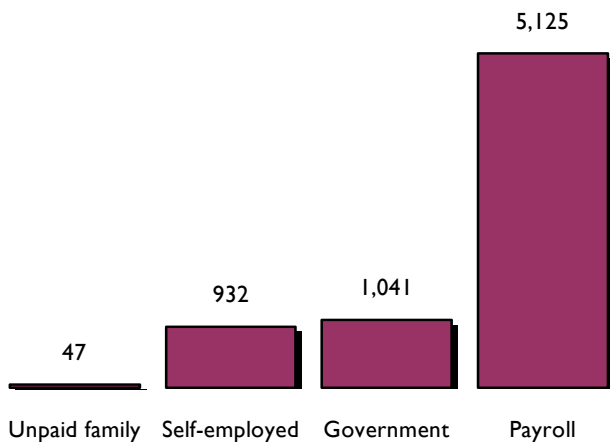
Source: Estimated from WI Dept. of Administration population estimates, Jan. 2001, US Census Bureau, and WI Local Area Unemployment Statistics.

Labor Force Participation of Male and Female Residents



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

Type of Employment



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

beginning into new careers. Many are starting and raising families, acquiring property, and working in at least one job if not two. Many of these same characteristics are shared by the next group, 35-44 year olds. This group is also preparing to send children to college, adding or upgrading housing, and looking for ways to add to the family income. Labor force participation is often highest in this group.

By middle-age, workers begin to think about retirement, and during the 1990s, workers were retiring in their fifties. By 65 years old most of the population has retired.

Because each age group has different interests the number of individuals who are employed or at least look for work varies. Labor force participation rates by age groups from Census 2000 is scheduled for release in the fall of 2002.

An estimate of labor force participation for 2001 in Washburn County included 59.9 percent of the labor force age population that worked, 4.1 percent of the population that were unemployed and 36.0 percent who choose not to work. The labor force participation rate in 2001 (the percent of the population 16 years and over that either worked or looked for work) was 64.0 percent.

Labor force participation rates, based on estimates from the Local Area Unemployment Statistics (LAUS) program, peaked in the county in the mid-1990s and have been falling steadily since then. Participation is currently less than in either the state (73.5%) or nation (66.9%). One of the primary reasons for lower participation is the large share of population over 65 years old, but a secondary reason is the availability of jobs.

Labor force participation varies not only by the age of the population but also by sex. Over the last fifty years, participation in the labor force of females has steadily increased while participation of men has declined. There are a number of factors that serve as explanations for these divergent trends, but the most comprehensive is the change in the county's industry mix away from goods-producing jobs towards service-producing jobs. Another factor is access to retirement income, especially for men who have been in the workforce longer and in more permanent positions, than women are.

Labor force participants who work are engaged in several 'types of employment'. In Washburn County 72 percent of the employed population work for a

(Continued on page 4)



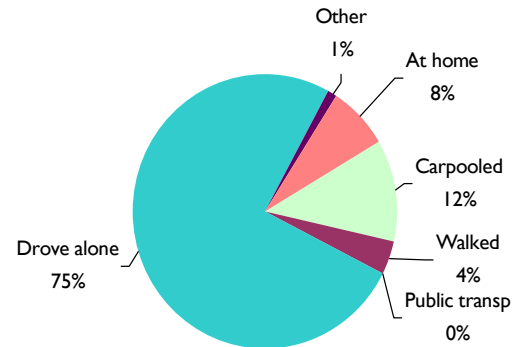
private employer and receive a payroll check. Government workers also receive a payroll check, but comprise only 15 percent of total employment.

Nearly 14 percent of workers in Washburn County are either self-employed or work as an unpaid family member. The share of self-employed and unpaid family members is higher in Washburn County than in the state (6.4%), but has declined slightly since 1990. Self-employed and proprietors tend to stay in the labor force longer than workers in payroll jobs do.

The number of self-employed and unpaid family members is a good reminder that total employment in the labor force includes more workers than just those employed in payroll jobs. It is one of the reasons that total employment in most counties is greater than the number of nonfarm wage and salary employment (see page 5). In Washburn County, total employment reached 7,600 in 2001, far greater than the number of jobs.

An additional factor that effects the local labor force is the number of workers who commute into, or in this case out of the county for jobs. Census 2000 revealed that 30.7 percent of the workers re-

County Travel-to-Work Patterns



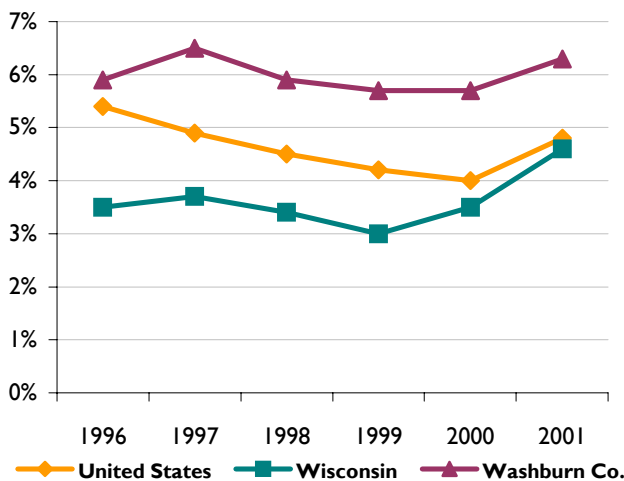
Source: US Dept. of Commerce, Census Bureau, Census 2000

siding in Washburn County traveled outside of the county to work. While the specific destination of those workers from the census will not be released until 2003, it is highly probable that many are traveling to Barron County, especially with the improvement of Highway 53.

Over the last five years the number of employed in Washburn County increased by 500 from 7,100 in 1996. (The drop in employment in 1999 is due more to an anomaly in estimating than a loss of county jobs.) In spite of the increase in employment, the county average annual unemployment remains higher than either the state or national rates. Because of the number of seasonal jobs, there are some summer months, however, when the county rate drops below the national rate. The highest rate in 2001 of 9.3 percent occurred in March, while the lowest rate of 3.9 percent was in September.

Most of the workers in Washburn County drive alone to a job, while 12 percent, higher than in the state, were part of a car pool. Roughly 8 percent of those employed work at home, double the share in the state. And, with little public transportation, it is no surprise that so few take advantage of it. State-wide, only two percent use public transportation.

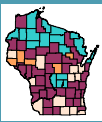
Unemployment Rate Comparison



Washburn County Civilian Labor Force Data

	1996	1997	1998	1999	2000	2001
Labor Force	7,600	7,800	7,800	7,700	8,000	8,200
Employed	7,100	7,300	7,400	7,200	7,500	7,600
Unemployed	450	510	470	430	460	520
Unemployment Rate	5.9%	6.5%	5.9%	5.7%	5.7%	6.3%

Source: WI Department of Workforce Development, Local Area Unemployment Statistics, revised March 2002



County Industry Employment

Nonfarm Wage and Salary Employment

	1996	1997	1998	1999	2000	2001	Percent change	
							1 year	5 year
Total	5,295	5,548	5,689	5,887	6,144	6,209	1.1%	17.3%
Goods Producing	1,123	1,177	1,181	1,258	1,424	1,478	3.8%	31.7%
Construction & Mining	185	211	165	193	238	247	3.7%	33.2%
Manufacturing	937	965	1,017	1,065	1,186	1,231	3.8%	31.4%
Durable	639	650	671	693	733	733	0.1%	14.8%
Nondurable	299	316	346	372	453	498	9.8%	66.8%
Service Producing	4,172	4,372	4,507	4,630	4,720	4,731	0.2%	13.4%
Transportation, Communications & Utilities	231	256	258	258	268	243	-9.3%	5.4%
Total Trade	1,354	1,365	1,422	1,476	1,529	1,505	-1.6%	11.2%
Wholesale	141	132	128	140	144	159	10.4%	12.3%
Retail	1,213	1,234	1,293	1,336	1,386	1,346	-2.8%	11.0%
Finance, Insurance, and Real Estate	222	234	255	266	231	216	-6.4%	-2.6%
Services & Misc.	1,137	1,196	1,231	1,285	1,310	1,361	3.9%	19.7%
Total Government	1,229	1,320	1,341	1,345	1,381	1,406	1.8%	14.4%

Source: WI Department of Workforce Development, Nonfarm wage and salary estimates, revised March 2002

Nonfarm wage and salary employment is an estimate of the number of jobs generated by employers who are located in Washburn County. All payroll jobs are counted and include occupations from managers to laborers who work full- and part-time in permanent, temporary and seasonal positions, and are paid hourly, through commissions and sala-

ries, or by piecework. Employment is classified using the Standard Industrial Classification (SIC) of the primary product of the employer.

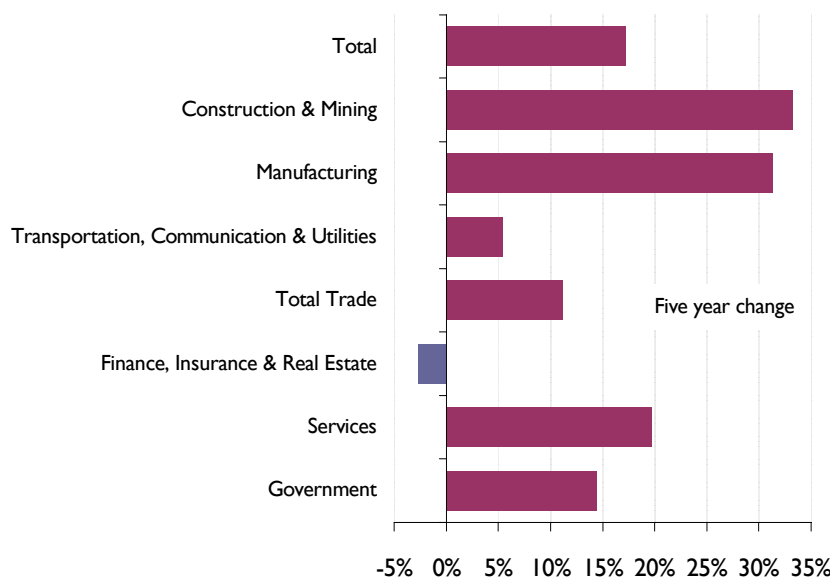
It becomes apparent when you look at this table that Washburn County workers find jobs with more than just county employers. There were 6,209 nonfarm wage and salary jobs in the county in 2001, a year when the total employment in the labor force (county residents) was 7,600. In addition to jobs in Washburn County, workers drove to jobs in adjacent counties, especially Barron and Sawyer, and found work through self-employment. But, one of the main reasons that total employment increased from 1996 to 2001 is that county employers created nearly 1,000 jobs during that five-year period.

Total nonfarm employment increased 17.3 percent from 1996 to 2001, nearly twice as great as the increase statewide of 8.7 percent. All of the major industry divisions, except finance, insurance, and real estate, added jobs during the five-year timeframe. With a few exceptions, that momentum continued through 2001.

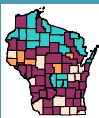
Job growth of nearly 32 percent among

(Continued on page 6)

Employment Change by Industry Division: 1996 to 2001



Source: WI DWD, Nonfarm wage and salary estimates, revised March 2002



Top 10 Employers

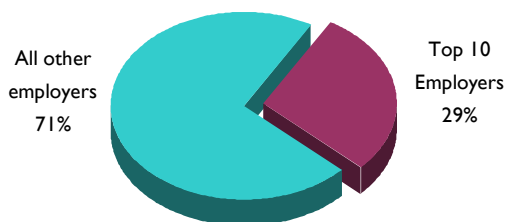
Company	Product or Service	Size
Link Snacks Inc.	Food products manufacturing: snacks	250-499
School District of Spooner	Education	100-249
Spooner Health System Inc.	Health care services: hospital	100-249
County of Washburn	Executive and general government	100-249
Birchwood Lumber & Veneer	Lumber & wood products: veneer	100-249
Schmitz's Spooner Economart	Grocery store	100-249
School District of Shell Lake	Education	100-249
Department of Natural Resources	Environment administration: government	100-249
School District of Birchwood	Education	50-99
Northwood School District	Education	50-99

Top 10 Industry Groups

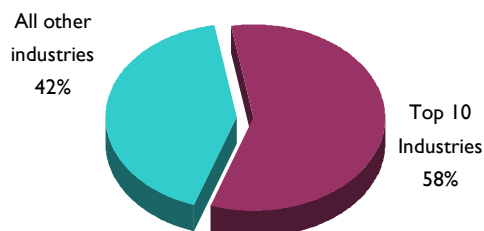
Industry Group	March 2001		Numeric change	
	Employers	Employees	1-year	5-year
Educational Services	6	614	25	65
Health Services	24	582	-17	62
Eating and Drinking Places	47	549	-21	28
Food and Kindred Products	*	*	*	*
Executive, Legislative, and General	16	363	22	75
Lumber and Wood Products	17	300	-10	49
Automotive Dealers & Service Stations	18	214	-38	-14
Food Stores	6	203	11	32
Furniture and Fixtures	*	*	*	*
Industrial Machinery and Equipment	10	159	-11	1

*data suppressed to maintain confidentiality

Top 10 Employers' Share of Nonfarm Employment



Top 10 Industry Group Share of Nonfarm Employment



Source: WI Department of Workforce Development, ES-202 file tape, December 2001

the goods-producing sector far out-paced job growth in the service-producing industries. With all the new residents in the county, construction jobs increased 33 percent and nondurable goods production jobs increased 67 percent. Together, these two industries added about 350 jobs.

However, employers in the service-producing sector added nearly 560 jobs over the five-year period. Most of those jobs were with employers in

the services industry, especially with those that provide health care. That is why health services is the second largest industry group in the county and the hospital is the third largest employer. The largest industry group, education services, is included with government employment and four school districts are on the list of largest employers.

Out of 572 employers in Washburn County, ten

(Continued on page 7)



provide nearly 30 percent of the jobs. Two of those employers are in the manufacturing industry division, the division with the second greatest number of jobs in the county.

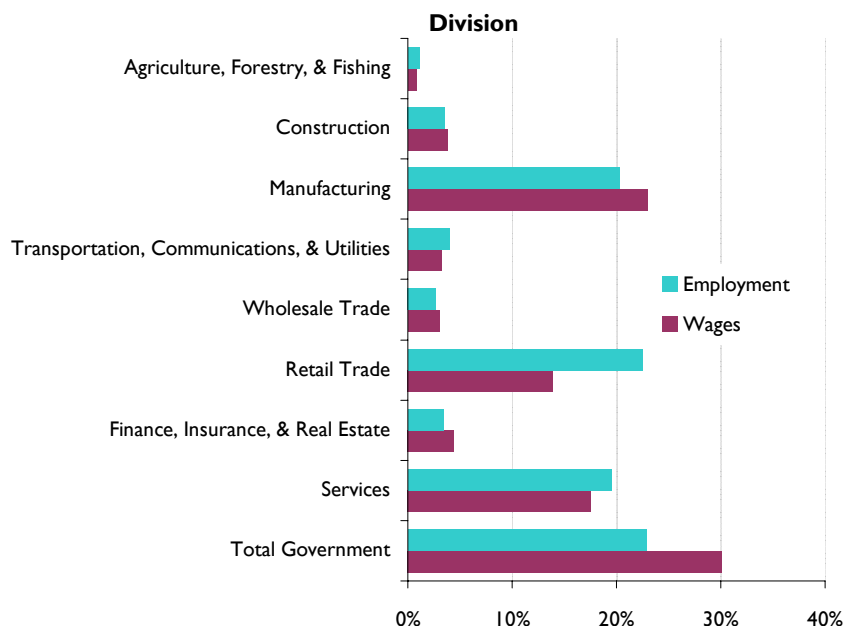
The division with the most jobs in the county was government. Nearly 23 percent of the employment in Washburn County was with government agencies that included local school districts and Wisconsin Indianhead Technical College administration, county and town governments, state regional offices for the Departments of Transportation and Natural Resources, and a regional distribution center for the

US Postal Service. Because of the many regional offices, government employment in the county is a much greater share of total employment than it is in the state.

The share of jobs in retail trade nearly matches that of government. However, total payroll for government workers is \$39,399,954 more than twice the payroll for retail trade workers of \$18,188,532. Workers in retail trade often work in part time and seasonal jobs so the annual payroll is smaller. Many of the employers are also smaller and cannot offer higher hourly wages to workers. These conditions reduce the annual average wages and affect retail trade workers throughout the state.

Annual wages for workers in transportation, communication and utilities are less than half of those earned for similar work statewide. A primary reason is that a large number of jobs in the industry are seasonal and with student busing firms. Even though manufacturing is the third largest source of jobs and the total payroll is the second largest in the county, annual average wages \$25,105 were only 63 percent of wages for similar work in the state. These lower wages, plus the high share of jobs in retail trade, significantly reduce the overall average wage in the county.

2001 Employment & Wage Distribution by Industry

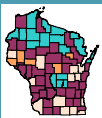


Annual Average Wage By Industry Division

	Washburn Co. Annual Average Wage	Wisconsin Annual Average Wage	Percent of State Average	1-year percent change	5-year percent change
All Industries*	\$ 22,149	\$ 30,922	71.6%	3.5%	16.9%
Agriculture, Forestry, & Fishing	\$ 17,101	\$ 22,565	75.8%	3.8%	-10.9%
Construction	\$ 23,727	\$ 39,011	60.8%	7.8%	23.9%
Manufacturing	\$ 25,105	\$ 39,739	63.2%	1.6%	16.1%
Transportation, Communications, & Utilities	\$ 18,097	\$ 36,639	49.4%	12.0%	-7.8%
Wholesale Trade	\$ 25,159	\$ 40,521	62.1%	2.7%	25.5%
Retail Trade	\$ 13,690	\$ 14,596	93.8%	3.7%	16.1%
Finance, Insurance, & Real estate	\$ 28,485	\$ 40,933	69.6%	2.4%	40.2%
Services	\$ 19,890	\$ 28,775	69.1%	3.0%	23.2%
Total Government	\$ 29,160	\$ 33,785	86.3%	2.5%	10.9%

* Mining excluded from table since wages were suppressed to maintain confidentiality in every county

Source: WI DWD, *Employment, Wages, and Taxes Due* covered by Wisconsin's U.C. Law, 2002



Occupation and Education Characteristics of County Population

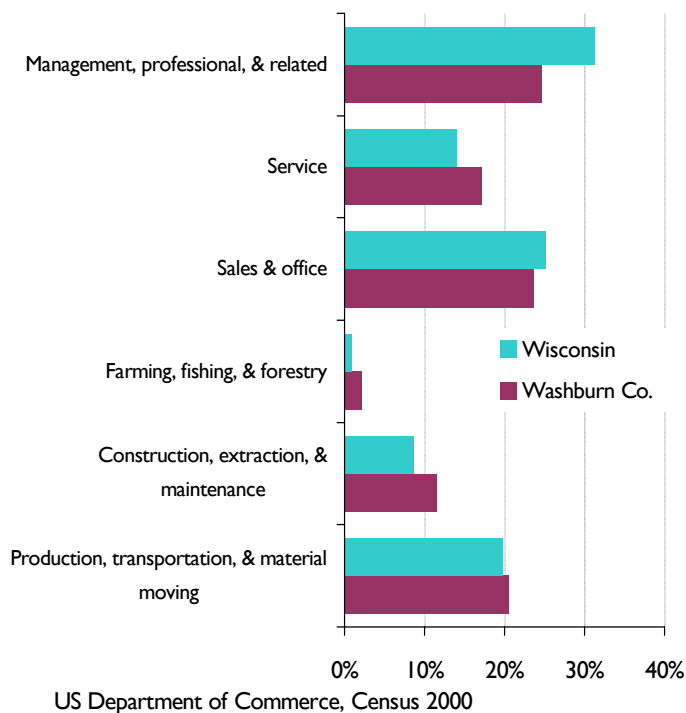
The previous pages explored jobs classified by industry, but jobs are also classified by occupation. Data on occupation employment is more difficult to access, especially at the county level, but the census offers a glimpse into the types of occupations in Washburn County. The distribution of occupations reflects the employment of all resident workers, including those that are self-employed and commute out of the county for work.

The largest group in the county and the state is management, professional and related occupations. The mix of occupations in this group varies from state to state, and county to county, depending on the industry mix. In Washburn County, most of the jobs in this group are teachers and health care professionals. These jobs are primarily found with employers in the services industry division and local school districts and require education and training beyond high school. Nationally, 80 percent of jobs in this group require post-secondary education, while in Wisconsin, roughly 78 percent do.

In Washburn County 44 percent of the population 25 years old and over have some education beyond high school, but only 15 percent hold a college degree. Statewide, 22.5 percent of the same population group holds a college degree (Census 2000).

A larger share of the population has 1-3 years of post-secondary education that could include some

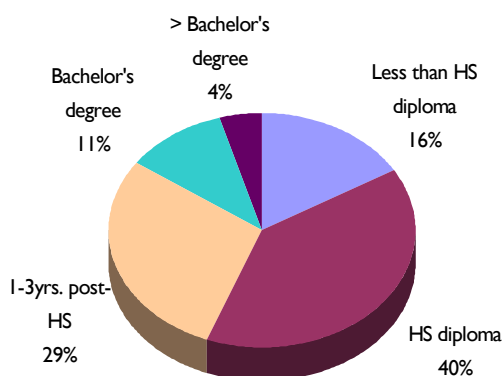
Employment by Occupation Group: 2000



college with no degree, an associate degree, or technical college training. Workers in this group find employment in all occupational groups including the sales and office occupational group, the second largest in the county. Occupations in this group include accounting, advertising, technical sales, and general office occupations. Employers now expect workers in these occupations to have some training beyond high school. The same is true of many of the production and maintenance occupations, the third largest group in the county. Most of these occupations are employed by manufacturing employers, but maintenance workers, truck drivers and mechanics are found in all industry divisions.

The fourth largest group is service occupations. This group is larger in the county than in the state and has the fewest occupations that require training beyond high school. Workers in service occupations comprise 17 percent of the workforce in Washburn County compared with 14 percent in the state. Service occupations include nurse aides, janitors, kitchen workers, waiters, and police and firefighters. Wages for many of these jobs are low and workers often work less than 40 hours per week.

Education Attainment in 2000



Source: US Dept. of Commerce, Census Bureau, Census 2000



County Income Information

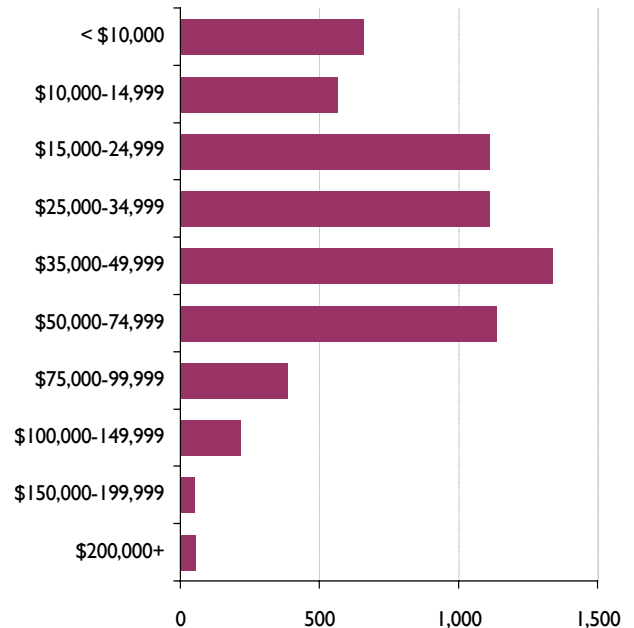
The median household income in 1999 (last full year of income data used for census) in Washburn County of \$33,716 was 77 percent of the state median income of \$43,791. Only a few households in the county had an annual income over \$100,000 while over 18 percent earned less than \$15,000. So many households with low income contribute to a poverty rate in the county of 9.9 percent that is higher than the rate in the state of 8.7 percent.

Household income is higher than either per capita personal income or annual average wages because households generally include more than one person (the average in Washburn County is 2.4 persons per household) and workers often hold more than one job. In addition to wages from all workers, household income includes earnings from self-employment, proprietorships, investments, assets, social security, retirement, Veteran's benefits, welfare, and unemployment benefits.

Per capita personal income (PCPI) is the total income in an area, \$321,836,000 in Washburn County, divided by the total population. PCPI in Washburn County in 2000 of \$20,002 was 71 percent of the PCPI in Wisconsin and 68 percent of the United States. In the last year it increased 4.3 percent, less than both state and national gains.

Incomes are lower in Washburn County, not only because of lower wages but also because of a larger elderly population living on fixed incomes. Income from government retirement and medical

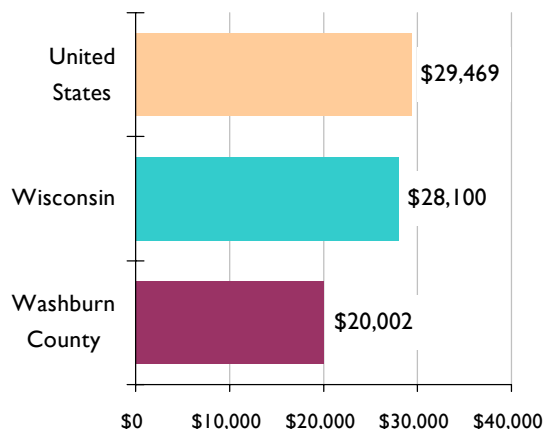
Households by Income Range
Median household income in Washburn Co. \$33,716



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

payments comprises 80 percent of transfer payments and transfer payments in the county are a much greater share than in either the state or nation. The population living on fixed income will only increase in the next ten years.

Per Capita Personal Income 2000



Source: US Department of Commerce, Bureau of Economic Analysis

Components of Total Personal Income: 2000

